

A magazine for Hewlett-Packard people

January-February 1996

MEASURE

**A supportive
environment**



This is the most useless fluff I've ever read," one HP employee in Vancouver, Washington, recently wrote to *MEASURE*.

On the same day, an employee in Atlanta, Georgia, said, "Thank you for *MEASURE*! It's a quality publication!"

The Atlanta writer went on to list three or four story ideas that he or she believed would make *MEASURE* even better.

I like that.

The Vancouver employee offered no ideas on how to improve the magazine. The reaction reminded me of a comment a former boss used to make when I turned in a story: "I don't know what I want," she would say, "but this isn't it."

So what's an editor to do when one person's "quality publication" is another person's "fluff"?

One way we've tried to make *MEASURE* a magazine for all HP employees is to solicit and include your suggestions and creativity.

For example, we frequently include an On My Mind section where employees can comment on practically any topic they choose. We've printed everything from criticism of HP's commitment to customer satisfaction to one employee's firsthand experience of losing his job.

"On My Mind is an excellent column," one Palo Alto, California, employee wrote the other day. That's a typical comment, and we intend to continue that section.

Another example of employee involvement in *MEASURE* is the Parting Shot photo on the back page. Other than the special exception in this issue, Parting Shot is an opportunity for employees to submit a photo they've taken.

How do you like it?

"Continue the back-page photo feature; it's very nice," said an employee in Mountain View, California. Countered a Corvallis, Oregon, employee, "The Parting Shot photos are worthless. Many of the (photos) wouldn't make the cut at a state fair photo competition."

"Take a fresh look!" an employee in China commented. Said one person in Boise, Idaho, "Keep doing what you're doing; I enjoy the mix."

Being the editor of *MEASURE* is like driving a car in which there are three passengers. One says, "Turn left here." Another says, "No, turn right." The third says, "Don't listen to them; go straight."

But in this case, there are about 100,000 passengers with approximately 100,000 ideas on what direction we should head. Some even ask, "Why do we have a car anyway?"

For the time being, *MEASURE*'s plans are to continue this journey together. We'll talk about what's working well in HP and what needs to improve. The magazine will be complimentary and controversial. We'll focus on employees and customers. And we'll try to make it as visually and editorially interesting as possible. And we'll keep asking you for your ideas.

I hope you enjoy the ride.

—Jay Coleman



On the cover: Kerstin Krumwiede gets some work done while waiting for a train at Amsterdam's Sloterdijk Station. Kerstin is one of the well-educated, young, international employees at HP's European Customer Support Center (see the photo feature beginning on page 14). Cover photo by Bill Melton.

FEATURES

4 A peek into the future

MIT's Nicholas Negroponte and HP Labs' Joel Birnbaum discuss the future of telecommunications at Telecom '95.

7 The case of the 24-hour scientist

Renowned criminologist Dr. Henry Lee uses HP analytical equipment to solve Connecticut's most cunning crimes.

10 A new idea takes flight

The experts said he was full of hot air, but the father of ticketless airline travel developed a solution that continues to soar.

12 A whole new world

HP co-founder Dave Packard returns to China for the first time in 12 years and finds a land of amazing change.

14 Heeding the call

MEASURE takes a photographic look at HP's European Customer Support Center in Amsterdam, Netherlands.



Page 12



Page 18

DEPARTMENTS

18 People

An HP employee turns his life around after quadruple heart bypass surgery.

20 On my mind

Diversity isn't about fitting in, says Spokane (Washington) Division G.M. Jim Rundle. It's about valuing our differences.

22 Web-wise

Dr. Cyberspace returns with more tips on how to use the World Wide Web effectively.

24 Your turn

MEASURE readers share their views on matters of importance.

26 Letter from Lew Platt

HP's chairman, president and CEO explains the apparent contradiction between good financial performance and the falling stock price.

28 Extra*MEASURE*

News from around the HP world.

MEASURE

Editor:
Jay Coleman, ABC*

Associate editors:
**Cornelia Bayley, Betty Gerard,
Mary Anne Easley**

Art director:
Annette Yatovitz

Graphic designer:
Thomas J. Brown

Photo research:
Carol Parcels

Editorial assistant/circulation:
Tena Lessor

MEASURE is published in mid-January, March, May, July, September and November for employees and associates of Hewlett-Packard Company. It is produced by Corporate Communications, Employee Communications section, Mary Anne Easley, manager. Address correspondence to *MEASURE*, Hewlett-Packard Company, 3000 Hanover Street, 20BR, Palo Alto, California 94304-1185, U.S.A. The telephone number is (415) 857-4144; the fax number is (415) 857-7299; and the Internet address is jcoleman@corp.hp.com

* Copyright 1996 by Hewlett-Packard Company. Material may be reprinted with permission.

* Accredited Business Communicator by the International Association of Business Communicators (IABC).

Hewlett-Packard Company is a global manufacturer of computing, communications and measurement products and services recognized for excellence in quality and support. HP has 102,300 employees worldwide and had revenue of \$31.5 billion in its 1995 fiscal year.

UNIX is a registered trademark in the United States and other countries, licensed exclusively through X/OpenSM Company Limited.

X/Open is a trademark of X/Open Company Limited in the U.K. and other countries.



MEASURE magazine is printed on recycled paper with vegetable-based ink.

A peek into the future

Forget the 9-to-5 workday. But get ready for easier-to-use computers. Nicholas Negroponte and Joel Birnbaum discuss the direction of telecommunications.

GENEVA, Switzerland—(Editor's note—Every four years, the industry giants gather here for the world's largest computing and telecommunications exhibition. Telecom '95 was held October 3–11, 1995, and HP was there.

HP unveiled a futuristic pavilion, demonstrated its latest technology and talked with thousands of customers and potential customers (see page 6). One of the highlights of HP's presence was a series of presentations to key customers about the future of telecommunications. The sessions featured Nicholas

Negroponte, head of the Media Lab at the Massachusetts Institute of Technology, and Joel Birnbaum, HP senior vice president-R&D and director of HP Labs. Here are a few excerpts:)



MIT's Nicholas Negroponte (left) chats with Joel Birnbaum, head of HP Labs, prior to one of their presentations at Telecom '95.

Nicholas Negroponte

We were all brought up as kids thinking of an authority, namely the parents. Then we go to schools, work for companies or governments where everything has an authority.

The Internet does not, however. It is growing rapidly and will not have an authority. It is a totally different form of decentralized organization.

I have come to the conclusion that social impact is interesting because it is huge. And maybe that's what caught my attention. In the extreme case, it is the total demise of the nation-state. At the nonpersonal level, that is going to happen very quickly. Governments play a smaller and smaller role. If you don't like the banking system in France, for example,

you can move your computer into Switzerland.

On a more personal level, it will make your life much more asynchronous. You won't find your life being driven by a 9-to-5 work schedule with particular days called weekends. It is going to be a much more arrhythmic existence for everybody. This already happens for people who are on-line, and 20 percent of all Americans spend one day (a week) working at home. And working from home is just a different sort of arrhythmia.

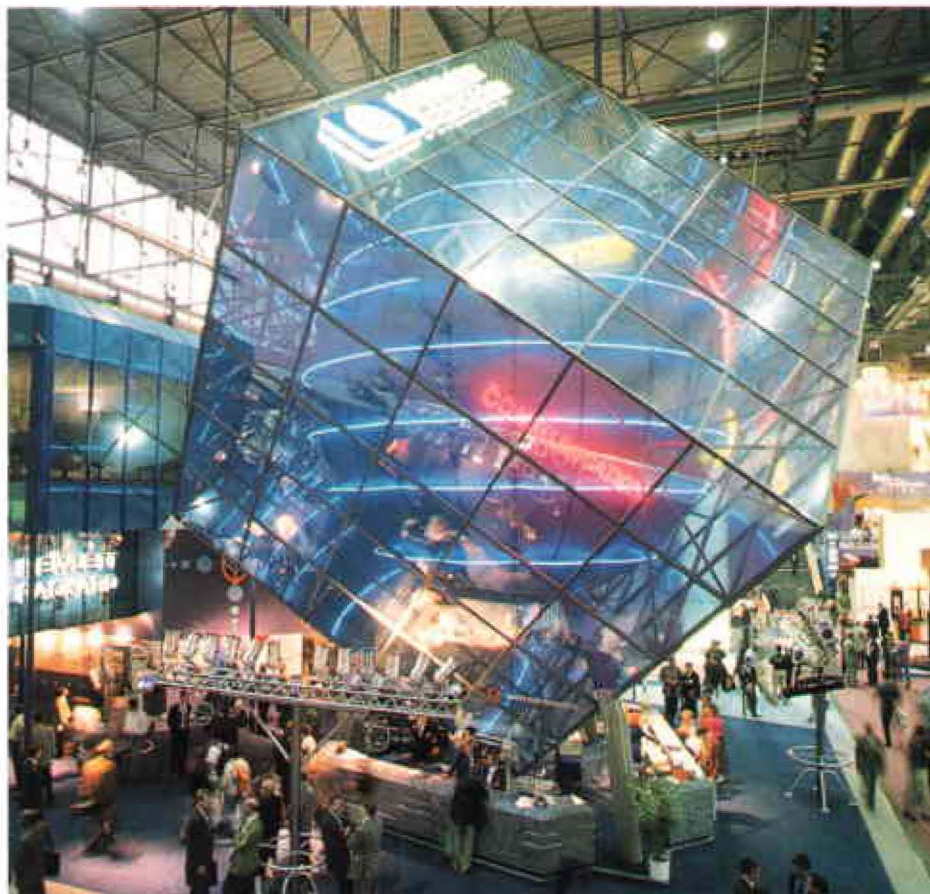
There will be an increasing form of asynchronous living and working that will be driven by this, which will have an enormous impact on the personal side of lifestyle. Banking laws are going to crumble, and intellectual property laws are going to crumble, and all sorts of other things are going to crumble and be rebuilt on another basis.

Joel Birnbaum

For about a decade now, we've been talking about "pervasive information systems." To us, pervasive means something that is more noticeable by its absence than its presence. Usually, you can tell if a technology is pervasive by its name.

For example, none of you would be able to estimate even within maybe a factor of two how many electric motors you own. You don't think of them as electric motors. And you don't know—and you don't care—how many are inside your washing machine or your VCR.

"I think that five years from now you won't know how many computers you have..."



HP's distinctive booth featured a translucent 50-foot-high glass cube. Nearly 200,000 people attended Telecom '95, and about one-fourth of them visited the HP booth.

People who design the motors care a great deal. And, of course, the motors are not all the same.

I think that five years from now you won't know how many computers you have, either. You may have a dozen or you may have a hundred. And you won't think of them as computers; you'll think of them as appliances.

TV sets were very complicated when they were new. They had many buttons, a horizontal holder, vertical gain control, fine tuning and so forth. Now, for most sets, you just turn them on. The functions are still there, but they are behind the scenes.

That hasn't happened for computing. You don't have a computer in your hotel room. If it was a different make than the one you were trained on, you wouldn't be able to use it any-

way. And the mental models that drive a pervasive technology are not yet in place because people who use computers still, for the most part, have to be craftspeople in charge of their tools.

If you can imagine that technology will allow us to shrink things by a factor of 10 or maybe 100 in physical volume, it means that things that are unconsciously portable and that you can carry in your pocket—like a watch or a wallet or a fountain pen—are going to be the things that will connect you to the web of information and services that will, indeed, be provided on the network. **M**

25 things you probably didn't know about Telecom '95

GENEVA, Switzerland—Okay, so now you know about Telecom, the quadrennial telecommunications extravaganza in Geneva, Switzerland. But just how big is it? Why does HP—and why do other companies—spend so much time, money and energy on it?

Nearly 200,000 people attended the Forum (speeches and panel discussions) and exhibition during the five-day event. It was like a one-stop-shopping opportunity to reach key HP customers.

Thousands of people visited HP's spectacular, multimillion dollar pavilion—a striking 50-foot-high glass cube (see the photo on page 5).

Here's a snapshot of Telecom '95 trivia:

The HP pavilion

1. Number of tons of steel it took to build the pavilion: 60
2. Square feet of exhibition space: 11,000 (1,000 square meters)
3. Number of weeks it took to build: 10
4. Number of bolts used to hold the exhibit together: 3,500

Inside the sphere

5. Number of seats in the private HP auditorium: 50
6. Number of seminars conducted there: 50-plus

7. Number of topics covered in the seminars: 25

8. Number of people registered for the seminars: 1,200

Customer contact

9. Number of products HP people demonstrated: 40-plus

12. Number of other HP managers present to meet with customers: 352

13. Number of meetings the managers and executives hoped to have with key customers: 650

14. Number of meetings actually held: 716

15. Number of key customers attending these meetings: 971

16. Number of sales inquiries HP hoped to get from Telecom '95: 2,500

17. Number of qualified sales leads: 4,633

18. Number of kilowatts needed to power the HP booth during Telecom '95: 47,076

Telecom '95 overall

19. Number of total Telecom '95 participants: 189,671
20. Number of VIPs (very important people): 700
21. Number of media representatives: 2,143
22. Number of Forum participants who also visited the exhibition: 3,912
23. Number of Forum speakers: 662
24. Number of companies participating in Telecom '95: 1,066
25. Percentage increase of Telecom '95 attendees over 1991: 17.9



Helen Chan from HP Singapore conducts a product demonstration for Telecom '95 visitors.

10. Number of times visitors to HP's booth watched 1-minute "info-commercials": 16,000-plus

11. Number of HP executives on hand to meet with customers: 103

The case of the 24-hour scientist

By Sam Chu Lin

Renowned criminologist Dr. Henry Lee uses HP analytical equipment to solve Connecticut's most cunning crimes.

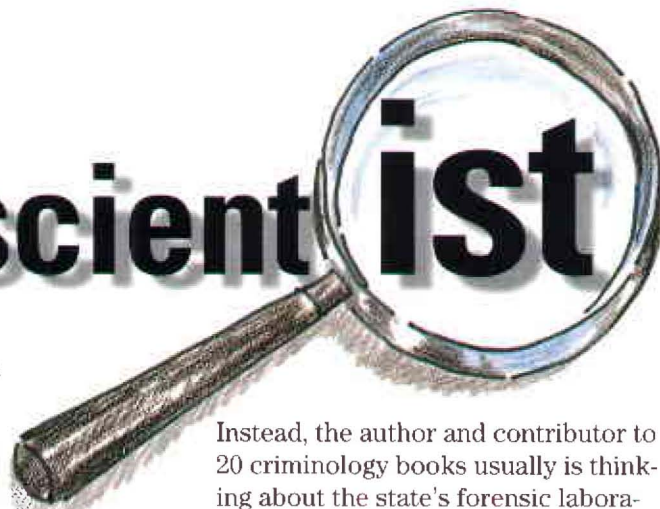
It's two o'clock in the morning and the moon is bright. Dr. Henry Lee is waiting in his car in the parking lot of the State Police Forensic Laboratory in Meridian, Connecticut, where he serves as director.

Dr. Lee's colleague, Elaine Pagliaro, one of two assistant directors, quickly joins him and they are on their way to Maine. Using a reciprocal agreement between their states, police have requested the assistance of the internationally renowned criminalist to help find clues that might reveal if foul play is involved in the disappearance of a man.

After a four-hour drive, the two forensic scientists arrive at the location where the missing man was last seen. The former Taipei police detective and his colleague meticulously study the scene and determine that no violence has been committed.

Days later, the missing man is discovered, a victim of suicide, closing another episode in the life of Dr. Henry Lee.

Although the famed criminologist is often in the news, his colleagues say he pays little attention to publicity.



Instead, the author and contributor to 20 criminology books usually is thinking about the state's forensic laboratory, which uses HP equipment to track down criminals. His friends add that Dr. Lee constantly is trying to find ways to improve the facility.

He is so absorbed in his work that he contributes fees he earns as an outside consultant or expert witness to help the laboratory and to underwrite forensic scholarships.

As one of his associates puts it, "This place is his whole life. He doesn't golf. He doesn't bowl. He doesn't cut grass. He doesn't do anything else I can think of. Twenty-four hours a day, he's a forensic scientist."

In 1979, Dr. Lee left the University of New Haven, where he was head of the department of forensic science, to take over the state's laboratory. He led the way in transforming the facility—which was once located in a men's shower in a converted dormitory—into a state-of-the-art facility occupying more than 30,000 square feet.

With pride, he acknowledges the contributions made by an HP 5971A



mass spectrometer and an HP 5890 gas chromatograph (GC/MS).

Dr. Lee says, "Our HP GC/mass spec is a work-horse for us to identify organic compounds. We use it basically to determine accelerants used in setting fires. There are about 700 to 800 suspicious fires every year in Connecticut. We use it to analyze between 5,000 and 8,000 pieces of fire debris."

When the laboratory first considered purchasing a mass spectrometer, Elaine Pagliaro admits, "We were going to get a different brand because the bid was lower, but it just didn't have all of the capabilities that we felt were important."

Without going into detail because of litigation, Dr. Lee says there are many examples of how the HP equipment has helped law enforcement.

He says, "One of the recent cases involved six people who died in a



BRYAN WHITNEY

Dr. Henry Lee's knowledge of forensic science has made him a sought-after expert, whether it's investigating a house fire in Connecticut, testifying at the recent O.J. Simpson trial or developing new techniques to identify casualties from the war in Bosnia.

house fire in Redding, Connecticut. We used the HP mass spec to identify what kind of accelerant was used. The landlord was charged with the crime."

Dr. Jack Hubball, a chemist who works with the HP equipment, elaborates: "Through the use of the mass spectrometer and the manipulation of

the data, we were able to show that a particular petroleum distillate found in the suspect's car—with reasonable scientific certainty—matched that on the bodies of the victims.

"Through the use of the HP mass spectrometer and other Hewlett-Packard equipment, we were able to tie the suspect to the crime scene."

Elaine Pagliaro adds that the HP mass spectrometer also was used to identify substances collected at a recent chemical plant explosion in eastern Connecticut. Thanks to the information, police arrested a suspect.

Ernie Kirschner and Tom Place of HP's Glastonbury, Connecticut, sales office serve the forensic laboratory to make sure the equipment operates smoothly.

Dr. Hubball has only compliments for them. "Ernie realizes the nature of

our business, and that it's important for us not to be down very long. He makes an extraordinary effort to help us. He's always there with suggestions if we're running into software problems and things like that. I feel Ernie is more than a service guy; he's more like a consultant.

"Tom Place has also been very good. I can't say enough about the HP service people, they're terrific."

Robert Mills, another assistant director at the lab and a state police officer, points out, "We can't afford to have the GC/MS go down. We have cases coming up for court, and it's not a good idea to tell the judge, 'Gee, our mass spec is down. Can you postpone the trial?'"

"If we have a problem with the GC/MS, we get on the phone. HP will ship the parts overnight or have a repairman come right up."

The forensic laboratory has launched phase two of its expansion, and HP equipment is on the wish list.

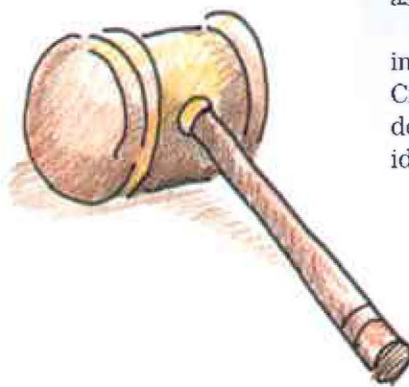
"Hewlett-Packard equipment is excellent," Dr. Lee states. "Right now we have one GC/MS. We hope to have a second one, because the one that we



have is working around the clock analyzing accelerants.

"We'd like to use the mass spectrometer for paint, hair or fiber research. Our equipment is so busy now, we can't afford to set aside time to do research. There's a tremendous potential that we can apply to our work." **M**

(Sam Chu Lin is a media consultant and a TV, radio and newspaper reporter. Many HP employees will remember him as the first host and producer of the HP VideoMagazine.—Editor)



Do you recognize that name?

Just who is Dr. Henry Lee? Many readers remember him as an expert witness in last year's O.J. Simpson trial in Los Angeles, California. But Dr. Lee has been asked to serve as a consultant or expert witness on many high-profile cases during the past few years. For example:

- the death of Deputy White House Counsel Vincent Foster, Jr., an apparent suicide;
- the William Kennedy Smith rape assault case in Palm Beach, Florida;
- the Mianan River Bridge disaster in Greenwich, Connecticut.

Dr. Lee also lent his expertise internationally, working with Croatian forensic scientists to develop new DNA techniques to identify victims of the war.

The experts thought he was full of hot air, but Dave Evans—the father of ticketless travel—developed a solution that continues to soar.

A new idea takes flight

By Jay Coleman

SALT LAKE CITY, Utah—Two years ago, David Neeleman, the president of Morris Air, was bemoaning the high cost of customer service and issuing airline tickets to its 50,000 daily passengers.

Dave Evans, Morris' bold 31-year-old vice president of information systems, overheard his boss' comment and boasted, "If all you need is a software program for ticketless travel, I'll do it in two months. But it will take a lot of time away from my family."

The two men walked to Morris' accounting department where the president issued Dave a check for a new Jeep Grand Cherokee. "If you don't make it," the president said, "just give me the check back."

In two months, Dave wrote the program, his wife was driving a new Jeep and the airline industry had its first ticketless travel system. It was an astounding feat, given that no airline ever had developed such a system (Valujet followed about a month later) and that Dave, armed only with a finance degree from the University of Utah, had never had formal computer training.

"I think my total lack of software knowledge was the key," Dave says. "I approached it as a business problem that had to be solved."

Dave started work at Morris Travel, the travel agency side of Morris Air, in 1984 as a \$5-an-hour computer operator who assisted the \$35-an-hour computer programmer. "I read a lot of manuals and just watched what he did," Dave says. "When the programmer got laid off, they gave me his job—and they gave me a raise to \$8 an hour."

Dave became a "huge Hewlett-Packard supporter" in 1985 when he attended operators' class for the HP 3000 Corporate Business System. "It's a great product," Dave said recently, "and we've received wonderful support from HP. In 10 years, we've only had four hours of hardware downtime."

Dave was Morris' computer department from 1984 to 1991. As a self-taught programmer, he brought a fresh approach to programming. The ticketless solution was a challenge from the start.

"Some customers don't trust the ticketless approach," he says, "so system reliability is vital." (With ticketless travel, customers call the airline directly, book their flight, receive a confirmation code over the phone and show their identification at the airport to get a boarding pass.)

Morris Air had become such a successful low-cost airline that on December 31, 1993, Dallas, Texas-based Southwest Airlines acquired its upstart competitor.

Southwest executives initially weren't convinced that Dave's ticketless system, which ran a 20-airplane network, would work for Southwest's 200-plane fleet. "They said something like 'Evans is a loose cannon; there's no way he can do it,'" Dave says.

Additionally, Southwest wasn't a big believer in Hewlett-Packard. "We got buzz-sawed when we first met with the Southwest executives a few years ago," says DeAnn Draper, the HP sales rep who called on Southwest. "They hated HP."

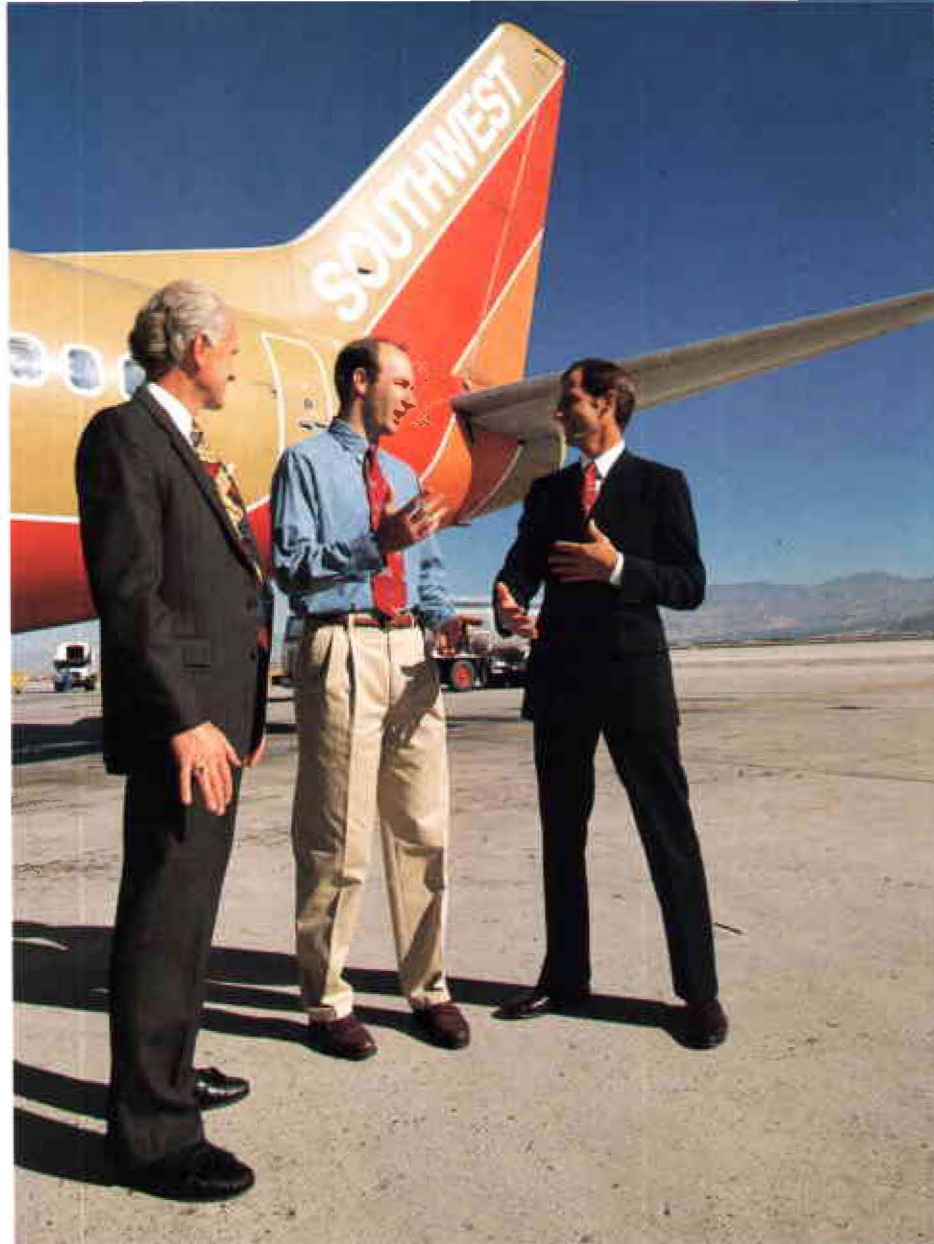
In April 1994, a three-state summit meeting took place in Cupertino, California, involving DeAnn's Dallas sales team; Dave and HP Salt Lake City sales rep Gary Van Vranken; and people from HP's Commercial Systems Division—makers of the HP 3000. DeAnn's team at first believed that a UNIX® system-based, open-systems environment might be preferable to the HP 3000.

After hours of discussion, the Utah-California-Texas HP team agreed that the HP 3000 was the right solution to provide on-line transaction processing and high availability. By August 1994, Southwest was booking 50,000 seats a day on the Dave Evans-designed ticketless system.

Today, the HP-Southwest ticketless travel program saves Southwest \$10 million dollars. Southwest has more than 20 HP 9000 and HP 3000 servers for ticketless travel and other applications.

"It costs between \$15 and \$30 to produce a paper airline ticket, so there are obvious savings associated with ticketless air travel," says Robert Rapp, Southwest's vice president of systems. "We save the cost of sending a ticket to a customer, which includes paper, postage, printing, labor and travel-agency commissions."

Dave has been a consultant to Southwest since the company bought Morris Air two years ago. Southwest, Vanguard Airlines in Kansas, WestJet in Canada and Eurobelgian Airlines



With help from HP's Brent Smith (left) and Gary Van Vranken (right), Dave Evans convinced Southwest Airlines that ticketless travel and the HP 3000 were just the right ticket.

in Belgium all use Dave's software system—and all run on HP 3000 computers.

He says ticketless travel could be worldwide in the not-too-distant future.

"It could be a problem if a passenger has one leg of a trip on one airline and a second leg on another," Dave says. "Airlines would have to share ticket systems. But I believe that all airlines will use ticketless travel by the year 2000."

What's next for Dave Evans?

He's developing an airline reservation system that will compete with the Sabre Airline System, the longtime industry standard owned by American Airlines. It could be up and running in the next six months.

"My main goal," he says, "is to have a major airline run my reservation system. My new system can handle 10,000 agents and half a million seats a day. That's almost as big as American Airlines."

When it comes to Dave Evans and big ideas, the sky's the limit. **M**

A whole new world

From Jeep Cherokees to cellular phones, HP co-founder Dave Packard visits China for the first time in 12 years and finds a land of enormous change.



Dave autographs his book, *The HP Way*, for Stella Zhang, a secretary in the CHP Test and Measurement Organization. "You feel like you're right at home at an HP office anywhere in the world," Dave says.



HP's Alan Bickell (right) and Beijing University President Chen Jiaer take part in a ceremony celebrating HP's donation of 75 personal computers, 14 printers and networking equipment to the university.

BELJING—It had been 12 years since Dave Packard's last visit to Beijing. Between the HP board of directors' meeting in the People's Republic of China in 1983 (the first ever held there by a U.S.-based company) and his August 1995 trip (in conjunction with China Hewlett-Packard's tenth anniversary), lots had changed.

Some of the transformations were obvious: skyscrapers redefining the city's skyline; Jeep Cherokees jousting with bicyclists for spots in rush-hour traffic; pagers and cellular phones breaking the quiet of the Forbidden City; and neon signs flashing the names of well-known Western businesses: Sheraton, McDonald's, Hard Rock Cafe.

Some of the changes were considerably more subtle but more substantial. The country has been moving quickly away from a centrally planned, agrarian economy tightly controlled by the Communist Party. Today, market-driven socialism is pushing economic growth and building a new middle class, particularly in the country's eastern coastal provinces and the area around Beijing, the nation's capital.

"There's no doubt in my mind that China's going to be an important country in the future and an important one for the U.S.," Dave said. "It's certainly to HP's advantage to be in that market and, if possible, to be a leader there."

Dave spent one day of his week-long trip at the China Hewlett-Packard (CHP) office. Dave played a key role in negotiating the start of the joint venture in 1985 and has watched its progress from afar for the past decade.

Dave traveled to China with his daughter, Susan Orr, who is a member of the HP board of directors, and her family. Alan Bickell, HP senior vice president of geographic operations, and his wife, Patricia, also were part of Dave's group.

In typical HP fashion, CHHP started as a small sales and manufacturing operation with a handful of local employees in Beijing. Today it has grown to more than 800 employees in six offices across the country, with headquarters in the 10-story, gleaming marble World Trade Center complex.

CHHP finished the '95 fiscal year with orders of more than \$370 million dollars. Dave led an employee tea talk there in September and posed for pictures with groups of employees in the office.

During the rest of the week, Dave met with a number of Chinese government officials who have become his friends over the years. Dave's first visit to China, described in his book *The HP Way*, was in 1977. He traveled there again in



President Jiang Zemin (right) hosted Dave, his daughter, Susan Orr, and others at the official residence.

1978, 1979 and 1983. In addition, he has hosted a number of visiting Chinese delegations at his home and his office over the past 19 years.

“A good many of the people who had been involved during my earlier visits now are at the top of the government, and we visited quite a number of them when we were there,” Dave said.

Jiang Zemin was the country’s new minister of Electronics Industries when he and Dave signed the 1983 memorandum of understanding that led to CHP’s formation. Today Jiang Zemin is the country’s president and chairman of the Communist Party.

Zou Jiahua was the person who first approached Dave with the idea of a joint venture. He also helped draft the terms of CHP’s charter during his 1980 visit to Palo Alto. Today he is the country’s vice premier.

One of the last stops during Dave’s week in China was the CHP employees’ high-rise apartment building. The company constructed the building in 1990 to address the problem of scarce housing by providing employees with their own apartments.

In 1994, CHP unveiled an innovative program—the first of its kind in China—to sell those apartments to employees. So now the building operates as a condominium and HP employees can own their own apartment, a still startling concept in a Communist country.

In the flat of Qi Jianhua, a CHP personnel rep, Dave sat down in a small wooden armchair and enjoyed a glass of coconut milk served by Jianhua’s wife. The small-but-comfortable apartment has a living room, kitchen, two bedrooms and a bathroom.

Spotting the family’s television, VCR and aquarium, Dave promised to send them a videotape about his considerably larger fish tank—the Monterey Bay Aquarium, which Dave helped found in 1984. The tape arrived in Beijing in September and became an overnight hit in the CHP apartment building. **M**

—Brad Whitworth

(Brad Whitworth is international public affairs manager for HP in Palo Alto and has five Chinese visas in his well-worn passport.—Editor)

Heading the call

AMSTERDAM, Netherlands—In Amsterdam, bicycle riders have the right-of-way on the bike paths that criss-cross the city and line the picturesque canals. Bicycles are the transportation of choice for many of the 325 people who work in HP's European Customer Support Center in the city.

Employees at the call center—the first of its kind in the country—provide post-sales technical support by phone. They deal with inquiries in 11 languages from 16 Western European countries. (Soon they'll also serve as a backup for Russia, Poland and the Czech Republic.)

They tend to be young (the average age is 30) and are well-educated and excited about high tech. Language skills are important, and some people speak seven languages fluently. A cosmopolitan group, they come from many countries.

While primarily a strong right arm of the Computer Products Organization, the call center also handles calls about some Information Storage Group products. Since some product lines bring out new models about every six months, a lot of intense study goes on in the training room.

"People work hard, but they like this dynamic environment of knowledge exchange," says manager Alan Arnette, who formerly worked for HP in Texas and Colorado. There's a formal process for reporting to R&D why customers are calling in. "We see our recommendations showing up in later product cycles," he says.

The call center opened in 1993 with 20 people occupying one floor of a commercial office building. Now it has 325 people and fills all seven floors—and those calls just keep wheeling in. **M**



BILL MELTON PHOTOS

left

Gilly Gordon, manager of support for the Personal Information Products Group at the call center, conducts business "on the run" at the Stolerdijk Station. Gilly transferred from Grenoble, France, to Amsterdam.



above

Checking out different models of HP DeskJet printers are (left to right) Lex Raymaker and CoCo Holton, both from the Netherlands, and Giampiero Malpiero and Ilaria Antolini, both from Italy. The center's employees come from all over the world.

right

Pausing in one of the open-air flower markets that are a special attraction of Amsterdam, center manager Alan Arnette buys a bouquet for his wife, Cathy. A former HP marketing manager in the United States, he wanted to satisfy his interest in Europe by taking an overseas assignment.





left

The bright red and yellow street car behind (from left) Christina Astolfi, Caroline Nysing and Gabriel Inaebnit is one of a busy fleet that operates in central Amsterdam. Bicycles are also a popular way to get around the city. They have the right of way on bike paths—pedestrians beware!

right

A native daughter of the Netherlands, Annemarie Koelman is photographed in front of one of the sights most associated with her country: a windmill. This one is in the village of Zaanse Schans that is photographed by many tourists.



above

Amsterdam has some of the premier museums in Europe. Eric van Pelt, an agent for Mac-connect peripherals at the center, gives his daughter Cecilia, 6, an early introduction to the Van Gogh Museum.



above

The bridges that curve over the canals of Amsterdam are a tempting place to stop for coffee while cycling or walking. Here Astrid Keiluhu and Helen Hoitsma stop to watch the boats go by below.

left

Ghislaine Jonker supports both HP LaserJet and HP DeskJet printers in English and Dutch languages.

below left



Jeff Balluff, hardcopy support engineer from Boise, Idaho.



above

For Louise Nicolai of the training department, a daily visit with Vina is relaxation after work.



above

Walter Ho handles support for ISG products, including optical drives and Colorado Memory Systems tape drives.



above

In center lingo, Liesbeth Goossen is an English/Dutch LinkJet agent—answering calls about HP LaserJet and HP DeskJet printers in both languages.

He's 'brand new'

By Gregg Piburn

"I am becoming the ugliest of all things: a busy man."

—Andre Gide, French author

FORT COLLINS, Colorado—Fred Madden took his HIP job seriously. In retrospect, he took it too seriously.

Retrospection is quite common after you have quadruple bypass surgery at the age of 39 and have 39 inches of scars to prove it.

Fred is a workstation graphics product planner for the Workstation Systems Division in Fort Collins, Colorado. His wife, Debbie, is an out-bound marketing manager for the



Ever since quadruple heart bypass surgery at age 39, Fred Madden and his wife, Debbie, have changed their diet to reduce fat and include more beans and pasta.

Work Management Operation, also in Fort Collins.

They were classic DINKS (dual-income, no kids) the first two years of their marriage. They both worked long and hard. When they sat down to a meal, it was usually at a restaurant.

That hectic life took a drastic turn on July 3, 1994, at the seventh tee of a golf course in nearby Loveland. Fred was finishing a month-long vacation. He was a program manager then and worked on a year-long project that consumed nearly all his waking hours. He started the round with feelings of indigestion. By the sixth hole, his arms and legs ached and sweat ran down his body.

"God looked down and noticed my swing was so ugly He didn't let me go on," Fred jokes now. But sitting under a tree at the seventh tee was no laughing matter. His friends rushed him to the Fort Collins hospital.

Tests that day showed one artery was 95 per cent blocked and three were partially blocked. But he had not suffered a heart attack. Two "balloon" techniques failed, so doctors decided to perform quadruple bypass surgery then while he was still young and his heart tissue was undamaged.

"They cut me up, cracked open the chest, touched my heart," Fred

says of the seven-hour operation on July 4, 1994.

Debbie remembers that day as a nightmare. "I aged considerably during those two days (July 3 and 4)." Husband and wife remained strong. "Fred gave me the best present ever on July 8 of that year when he called

"We both learned that you can be a valuable HP contributor without working 16-hour days."

from the hospital to wish me a happy 41st birthday."

Fred admits many emotional waves washed over him after what he calls "the big event." The inevitable "why me?" dominated his thoughts. "It took at least a month to comprehend that it really happened and I had to choose how to live my life from then on," he says. "I could have chosen to live the way I had, but I knew they would have to open me up again in 10 years."

Now he considers his heart problems a "wake-up call" to change the way he eats, exercises and works.

"The bulk of my problem was growing up in Iowa and eating steak, potatoes, gravy and butter as staples," he says. "Over the years it all added up." It added up to about 220 pounds on his 5-foot-11-inch frame at the time of the "big event."

Reading a book titled *Reversing Heart Disease* by Dr. Dean Ornish taught the couple that diet, exercise and stress management strongly

influence whether a person has heart problems.

Fred and Debbie have completely changed their diet. For instance, they consume less than 10 grams of fat per day, compared to a typical American diet of 30 to 60 grams. Fred now weighs 174 pounds.

"Now we prepare meals ourselves and it is a blast," Fred says. The couple recently prepared lunch for a visitor. The two-taco

meal had 0.8 grams of fat compared to 30 that a comparable restaurant meal would have included.

Since his surgery, Fred has run in the famous 10-kilometer Bolder Boulder in hilly Boulder, Colorado, and completed a 1,300-mile bike trip with a buddy. "These were ways to show

others and myself that life can be better than ever," he says.

"Our lives used to be a flurry of events that revolved around work," Fred says. "Now we are in control of our lives. We both learned that you can be a valuable HP contributor without working 16-hour days. Now I value my time. Before the event, I just worked; if I had any time left over, we would take a vacation. I didn't think much about my life."

Debbie now goes swimming after work. "And as a manager, I don't allow people to 'burn out,'" she says. Both Fred and Debbie confess, however, that they battle the tendency to slip into longer work schedules.

Will they give in and go back to the old way?

"I see 39 inches of scar every morning in the mirror," Fred says. "No."

After the taco lunch, Fred jokes that he is on the verge of death. "Oh no, you're not," says Debbie, giving him a hug. "You're brand new." **M**

(Gregg Piburn is a former HP communications manager who now owns a consulting business in Loveland, Colorado.—Editor)

6 paths to a healthier you

1. *Reversing Heart Disease* by Dr. Dean Ornish
2. *Eat More, Weigh Less* by Dr. Dean Ornish
3. *Beyond Pritikin* by Ann Louise Gittleman, M.S.
4. *Fit for Life* by Harvey and Marilyn Diamond
5. *Left for Dead* by Dick Quinn
6. *500 Fat-Free Recipes* by Sara Schlesinger

"Now I'm a believer"

By Jim Rundle

Diversity isn't about fitting in. It's more than numbers or quotas, more than a social responsibility.

SPOKANE, Washington—Two years ago, I thought I understood all I needed to about managing diversity in this complex, multinational company. I believed diversity was about numbers, affirmative action, setting and reaching goals. I considered myself a sensitive, easy-to-approach guy.

I was clueless.

I'm grateful so many bright people had the persistence and courage to show me how I've trivialized the issue over the years, paid it "lip service."

I'm now beyond being a believer. I'm a believer looking for converts and apostles. My goal is to transform the Spokane Division (SKD) from one governed largely by unwritten rules by white males to a truly inclusive community. I'm giving us three to four years because this is a cultural change, one that cannot authentically happen overnight.

But one day soon, I want to look around SKD and see men, women, people of color, people with all sorts of lifestyles, all sorts of managing, work and thinking styles, offering their best and working productively to move HP into the next century.

The light bulb really clicked on for me during a class I took called "Women and Men Working Together." It incorporated the "fishbowl" approach to learning, in which the men had to really listen as the women discussed their work and personal lives, their journeys and how their views of the world were shaped. The women sat in an inner circle, the men in a circle

around them. We weren't allowed to respond or offer rebuttals, rationalizations or excuses. Then we switched places and the women had to listen to us.

I understood at a deep, emotional level that women were experiencing a different workplace than I was. In fact, they were experiencing a whole different society than I was.

We have a real business problem here. We ask women to check their femininity at the workplace door. We promote people from diverse backgrounds—and then reward them if they manage like white males. Employees feel they're being pigeonholed

rather than encouraged. They feel isolated and waste a tremendous amount of energy trying to conform to the left-brained, white male rules—linear thinking, competitive, goal-oriented, one right way to do things, etc.—even

though their natural styles can be as effective or even more so.

Truthfully, it took me many face-to-face conversations before I really believed the environment—and not the individuals—was often the problem.

We have so narrowly defined diversity in the past.

The issue goes way beyond male-female or race issues. Wherever one group has power over another, there are struggles that get in the way of effective working relationships, roadblocks to the rich, inclusive environment we need to create.

We promote people from diverse backgrounds—and then reward them if they manage like white males.

It still starts with hiring and promoting diverse people. Recently, because of changes in our hiring process, we added 20 women and people of color out of the 34 new people we hired. We've started a formal mentoring program for new hires that we hope will offset the cycle of isolation and disempowerment employees from diverse backgrounds often experience.

We'll clarify our expectations for SKD over the next year with the help of the Inclusivity Task Force. We're starting to provide training, reading materials and thought-provoking speakers for employees. We'll provide forums so people can really talk about these issues, including the women who are not natural allies of men, and the white men with backlash issues on hiring.

We have a long way to go.

This is a business issue. We lose employees over these issues—to other divisions, to other companies. This is not about being fair, per se. It is about shareholder and employee self-interest, a competitive imperative. Our customer base is increasingly broad and diverse. Our worldwide market continues to grow in geographic reach and complexity. We need a diverse work force to be successful in these markets.

What is good for people with diverse backgrounds and styles is



Spokane Division G.M. Jim Rundle

J. CRAIG SWEAT

almost always good for all employees. This is an HP Way challenge for the '90s, making sure every employee feels valued, and is able to develop and fully contribute.

We need to make the values—which made HP such a special place for the dominant culture—work for everyone, regardless of gender, age, education, race, religion, function, physical challenges, sexual orientation or style. Everyone will be a winner when we achieve this inclusive vision, including white men.

I know from experience that this journey is full of personal issues. I hope all employees will educate themselves with an open mind. Learn from others not like you. Talk candidly with the people you work with every day. Then come to your own conclusions.

I am confident that you will discover your own turning points and help the company create this change. **M**

(Jim Rundle has been general manager of the Spokane (Washington) Division since 1991.—Editor)

*This is a business issue.
We lose employees over these
issues—to other divisions, to
other companies.*

What's on your mind

Do you have a suggestion about how to improve HP, an anecdote about the HP Way or an HP-related comment in general? Send your "On my mind" article—up to 800 words—to Jay Coleman on electronic mail, by fax (415-857-7299) or to Jay at the *MEASURE* address on page 3.

ASK

Dr. Cyberspace

Welcome back to my second column devoted to the Internet and its use around HP. Thanks for the kind notes after my first appearance.

When you've been cruisin' the Infobahn as long as I have, you often slip into speaking another language: cyberspeak. It's a bad habit, and I'll try to avoid using too much jargon in my columns. But to help you learn a few words and phrases in this new tongue, I've translated back into English some key terms you may encounter on the Net. Check out the glossary in the box on page 23.

I asked for your questions and comments in the November-December *MEASURE*. One 32-bit traveler (who requested anonymity) asked, "Is the Internet useful, essential or just a big waste of time?"

Yes, it's all of the above, and so much more! You can use the Net to send e-mail messages, take part in heavy-duty, on-line technical conversations and research competitors' products. Some people couldn't do their jobs today without it. Some sales people stay on top of their accounts by visiting their customers' Web sites.

And the Internet can waste your time. If you've gone surfing on a busy day to a hectic Web site, you know how long it is when you get caught in a binary traffic jam.

In the future, HP will conduct real business (that is, "sell products") on the Net. There aren't many sites today that generate revenue for their owners. Most are waiting to see security issues resolved. So the true payoff is still to come.

Ralph Bartlett zapped in from HP in the U.K. to say "Nice to see your

Dr. C's top 10 picks

1. <http://www.u-net.com/-outsourc/stockadv.htm>
Psst! Wanna buy a used LaserJet? Check out what kind of prices secondhand HP equipment commands on the open market in the U.K.

2. <http://www.thespot.com>
This Web site will make you think of an interactive TV soap opera—see how the fictitious characters react to your input every day. Just don't get hooked.

3. <http://hpweb.corp.hp.com/Publish/cc>
If you're looking for the latest speech from Lew Platt, directions to the HP garage, 33 years of profit-sharing figures or today's Newsgram, visit this new site from HP's Corporate Communications.

4. <http://www.hpl.hp.com/hpsymphony>
The sights and sounds of the Bay Area's HP orchestra are yours for the digital sampling, along with the group's concert calendar.

5. <http://www.ts.umu.se/~spaceman>
Is there snow in Colorado? Fog in San Francisco? You'll find an index of other sites with "live" TV cameras.

6. <http://www.cvuiwww.cv.hp.com>
Where do I go in HP to find the Web site I'm looking for? Lonnie Mandigo in Corvallis runs the company's best directory. It listed 435 internal web sites at press time.

7. <http://www.seti-inst.com>
The late Barney Oliver, former head of HP Labs, was active in the search for extraterrestrial intelligence (SETI). You can learn about the research work here.

8. <http://jmoreau.hpl.hp.com/phone.shtml>
Need to find a fellow employee's e-mail address or phone number? Sure there's PhoneWin on PC-COE, but here's a Web page that'll do the same thing...if you know how to spell the name.

9. <http://jbuwww.cv.hp.com>
Inkjet supplies are big business to HP, and this Web site has general and technical information from the organization.

10. <http://www.cnn.com>
About the only thing that's missing from this site is the deep voice of actor James Earl Jones reminding you that "This is C-N-N." Very timely news, with a U.S. slant. Lots of pics from CNN's TV cameras. Occasionally good technology pieces, though pretty elementary.



new page in *MEASURE*—what a good idea. Perhaps your readers would like to see how TMSO in the U.K. is using the Web to communicate with their customers. Check out the service at <http://www.uktm.external.hp.com> and keep up the good work.”

And Kathie Gust wires us to say that the HP Labs Research Library’s Web site has been up for more than a year now. HP employees from around the world can access the library in Palo Alto through on-line forms. There are links to Stanford Library’s card catalog, too. And if you’re in Palo Alto, you can sit down at a Netscape station in the HP Labs’ Library to get at all this good info. The site is <http://lib.hpl.hp.com>.

“Thanks for your list of top 10 sites,” says Richard Hill. He’s surprised we didn’t include *Wired* magazine’s on-line presence at <http://www.hotwired.com> in my column. (I did now.) He also likes the Web search engine at <http://www.excite.com> and the objective ratings of cool Web sites at <http://www.pointcom.com>, and so do I.

As always, the good doctor wants your questions, tips, comments and suggestions. If you’ve found a really cool site, drop me a line. You can reach me at doctore@corp.hp.com. I’ll try to include as many e-mails as possible in this column in future issues, though I can’t respond to each of them individually.

Dr. C’s cyberspeak glossary:

browser: the software you’ll use to surf the Net. The most popular browser today is Netscape, followed by Mosaic. They both let you view the many kinds of information on the Web (HTML documents, FTP directories, graphics files). More than 38,000 PCs at HP are configured with HP’s browser of choice: Netscape.

cyberspace: my family name and a reference to the virtual world that exists to pass information from one computer to another. The word first appeared in *Neuromancer*, the trend-setting book by cyberpunk novelist William Gibson. Today, it’s the name of the place where you can send e-mail, conduct on-line conversations or simply transfer information.

cybrarian: the person (or software in the future) you’ll need to know to help you find things on the Web.

FAQ (Frequently Asked Question): the most common questions get answered in the FAQ section of most Web sites.

home page: your starting point when you enter a Web site. Usually found with a simple URL. In Japan, the term “home page” is sometimes abbreviated as “HP.” Talk about some free publicity!

HTML (HyperText Markup Language): a set of invisible commands to make a normal text file look good to your browser software. If you really want to see what a coded HTML document looks like, use the View Source pulldown menu in your browser when you’re looking at a file.

Internet: the international network of computers (get it, Inter-Net?) that grew out of an experiment 25 years ago to develop a huge network that could grow without central control. The U.S. Department of Defense was looking for a computer network that wouldn’t fall apart if someone attacked the central hub. Well, the experiment was successful, and then some. Today there are tens of thousands of computers in the network over which nearly 40 million people send and retrieve information.

URL (Uniform Resource Locator): the fancy name for the address you’ll need to know to find a particular site on the Web.

World Wide Web (WWW): you can just call it “the Web.” The Web is actually a “service” on the Net that lets you grab hypertext and graphics from various sites.

There *is* life after HP

I read the article on the closure of the Palo Alto Fabrication Center (PAFC) (September-October 1995) and thought it was great. The people there are some of the most loyal of HP employees and have served the company well for nearly 50 years. I had the pleasure of working there for my last three years with HP before I left with the first operation to be sold—sheet metal.

I can say that there truly is life after HP. We are successful and growing here at Computer Cabinet Corporation. It is exactly this growth that made the sale of the PAFC businesses such a good solution to HP and many of the employees. We are doing what we know well in a company that is growing and providing opportunities for its people.

I have now seen and worked with many technology companies since I left HP, and I am sure that HP is still the best as both an employer and a customer. Three cheers for the people of PAFC! Their buildings may be gone, but their spirit lives on in the soul of HP.

DAVID MCLAUGHLIN
San Jose, California

A word of thanks

I appreciate the fact that HP is addressing the issue of violence in the workplace. In Sonoma County, where I am a member of the Violence in the Workplace task force, employees tell me how thankful they are that we are trained and take the measures we do.

STACY DRUCKER-ANDRESS
Santa Rosa, California



On the low end

I want to let you know that I was very, very insulted by your November-December *MEASURE* cover. I have been at HP 23 years and there seems to be a continuing trend toward making men less than they are. This cover puts us right into the low end.

If you have any statistics which would indicate whether or not we are safer, as safe or less safe in the workplace than we are in our communities, I would like to know. I don't expect HP to be any different than "outside."

CARMINE INDINDOLI
Santa Rosa, California

National Enquirer cover?

Just finished reading my *MEASURE* for November-December. Great article on safety in the workplace. Very informative.

But that cover! It was worthy of the *National Enquirer*. I expect more sophistication from *MEASURE*.

DAVE MONTGOMERY
Cupertino, California

A logical conclusion

I read with dismay the letter in your November-December issue entitled "Immoral lifestyles."

The writer urges management not to grant equal rights to our gay, les-

bian and bisexual fellow employees, while in the very same sentence says that he is against discrimination.

We can at least be glad that this sort of logic has not yet made its way into HP's computers and instruments.

HAL PRINCE
Cupertino, California

Truly disappointed

While I understand you want to present a range of voices and opinions in *Your Turn*, I am very disappointed about your decision to publish the letter entitled "Immoral lifestyles."

First, (Bob) Vaughan states that gays and lesbians should not be treated as a legitimate minority. The fact is that as of 1992, sexual orientation was added to HP's Equal Employment Opportunity and harassment policies. Therefore, gays and lesbians have minority status at HP.

Second, I have to ask: Would you have printed a letter about another minority group at HP such as blacks? I seriously doubt that you would have. That would have been a poor reflection on you, *MEASURE* magazine, and the company.

Printing the first letter produced this effect on me and many of my colleagues, both gay and straight. Perhaps you and your editorial board should consider taking diversity training offered by HP to help prevent future, similar incidents.

KAREN PINSKY
Palo Alto, California

Karen is correct: sexual orientation was added to HP's policies in 1992. That should have been mentioned in the MEASURE story on employee networks.

Bob Vaughan's letter, of course, represents his opinion and not that of HP management or MEASURE. However, like HP itself, MEASURE is made up of many voices, and we will continue to listen to varying opinions in the future.—Editor

Thanks from a proud mom

As an HP employee for many years, I was particularly pleased with the article "Making their voices heard."

I am the proud mom of a gay son and a member of PFLAG—Parents, Family and Friends of Lesbians and Gays. PFLAG, a worldwide organization, provides support to gays, lesbians and their families to cope with an adverse society and enlightens a sometimes frightened and ill-informed public.

I'm proud of "our" company and its continued support of all the members of our HP family.

MARY PALMIERI-BYNUM
Rohnert Park, California

Not valuable enough?

I enjoyed the article about diversity groups and Lew Platt's strong words supporting employee diversity. Unfortunately, HP is not yet fully committed to the concept.

Diversity cannot be achieved until discrimination against "diverse" employees is discontinued and all employees are treated fairly and equitably. It cannot be denied that HP extends spousal benefits only to employees who are in mixed-sex relationships; this excludes lesbian and gay employees from receiving this benefit. HP seems to be saying that gays and lesbians are valuable for the contribution our diversity brings, but not valuable enough to receive the same compensation as our peers.

I am encouraged that Lew has spoken about the importance of diversity, but it is time for HP to start practicing what Lew preaches. In today's fiercely competitive environment, we cannot afford to exclude the contributions of talented individuals who might somehow not completely conform to HP's old-fashioned employee paradigm.

HAROLD MOSS
Cupertino, California

"In terms of attracting and retaining a diversity of top talent, the environment has become fiercely competitive," says Pete Peterson, HP senior vice president-Personnel. "Overall, I'm convinced our benefits package is extremely competitive compared to other leading companies. Although we don't have plans to offer domestic partner benefits at the present time, we will continue to discuss and review the issue both from a competitiveness and diversity perspective."

Startling disdain

Regarding the November-December letter about "Immoral lifestyles," through his comments, the author makes an eloquent point for organiza-

tions such as GLEN (Gay, Lesbian and Bisexual Employee Network) at HP. The not-so-subtle disdain for gay and lesbian employees is startling, to say the least.

Like many other gays and lesbians in the workplace, I've chosen HP as my employer after careful consideration. After 12 years of management—seven at HP—I shudder to think of what my career would be like if my management believed me to be "immoral."

STEVE LEECH
Cupertino, California

Life after MEASURE?

What do you do with your copy of MEASURE after you have read it?

I personally throw it away, as do, I guess, the biggest majority of people here in Bristol and HP as a whole. In this time of caring for the environment, surely there must be a way of recycling these magazines. I have spoken to our local EHS department and, apparently, only white paper at present can be recycled.

Maybe I'm wrong; perhaps the majority do recycle MEASURE.

IEUAN DAY
Bristol, England

Recycling capabilities vary a great deal throughout the world. Here in Palo Alto, magazines are readily recycled, along with white and other types of paper.

Some HP sites outside the United States receive fewer copies of MEASURE than the number of employees there. Employees recycle the magazine by bringing it back to work for co-workers to read.—Editor

Please send mail

Do you have comments about something you've read in MEASURE? Send us your thoughts. If we publish your letter, you'll receive a free MEASURE T-shirt (one size fits most).

Send your comments to MEASURE Editor Jay Coleman (the fax number and address are on page 3). Please limit your letter to about 150 words, sign your name and give your location. We reserve the right to edit letters.

Why did HP's stock price fall when its financial performance was very good? HP's chairman, president and CEO sheds some light on the apparent contradiction.

Some of you probably were surprised—even confused—when HP announced its quarterly and year-end earnings results on November 17.

Fourth-quarter earnings rose 42 percent, orders increased 27 percent and revenue was up 29 percent. And revenue for fiscal year 1995 rose 26 percent to a record \$31.5 billion.

For the second time in one year, we also announced record profit-sharing for HP employees—11.46 percent for the second half of 1995.

Nineteen ninety-five certainly was a wonderful year overall for HP. Our financial performance exceeded that

While I don't pretend to have all the answers for the stock market's rise and fall, there are some legitimate reasons why our stock dropped...

of most of our competitors. And our fourth-quarter results marked the eighth consecutive quarter of meeting or exceeding the financial analysts' expectations. All of you deserve thanks for an excellent job.

However, HP stock dropped 9 1/4 points on the New York Stock Exchange within two days of our earnings announcement.

Why did this happen? How could we have had a great year and our stock dropped so much?

While I don't pretend to have all the answers for the stock market's rise and fall, there are some legitimate reasons why our stock dropped—and why every HP employee should take note.

If you take a closer look at our fourth-quarter results—beyond the headlines—you begin to see why some people reacted the way they did. In the fourth quarter, the cost of sales—that is, the cost of the materials, labor and overhead directly involved in manufacturing our products—went up substantially compared with the prior quarter and the prior year.

That's not a major concern if we limit our operating expenses, which include how much we spend for R&D, marketing and selling, and administration. Although we made good progress on controlling operating expenses in the fourth quarter, the

decline in the operating-expense ratio wasn't enough to offset the increase in cost of sales.

Operating profit grew less than revenue

after seven consecutive quarters of exceeding revenue growth. So, you can see how that makes some financial analysts, stockholders—and me—nervous.

Also, our asset management in the fourth quarter wasn't very good. Receivables and inventories increased substantially. That raises another question: Are we generating enough cash to fund our future growth?

Growth hasn't been a problem for HP during the past two to three years. In fact, we've been able to grow our business dramatically without large increases in employment or facilities.

Like all other companies, we have to struggle to maintain the right balance between too many and too few

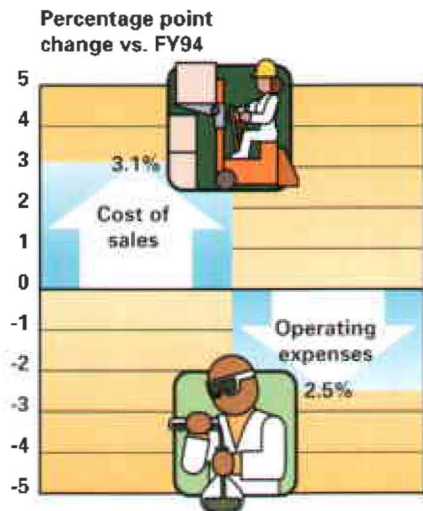
resources. For example, in the first half of 1995, we had product shortages and couldn't meet our customers' demands. In the second half of the year, we began adding resources and satisfying our customers better.

Now our plans call for greater increases in the number of employees and facilities than we've seen in the recent past. That means that we need to demonstrate to ourselves and the rest of the world that we can add people and facilities while maintaining healthy profit margins. To accomplish this, we'll need to manage our operating expenses as well as we ever have.

There's a risk in growing our resources too fast if the demand for our products doesn't materialize. But an equally dangerous position would be to have insufficient resources, as



CEO Lew Platt (left) talks with Robert Potter, a high-tech consultant, in between sessions at Telecom '95 in Geneva, Switzerland.



In the fourth quarter of 1995, HP's cost of sales (measured as a percent of revenue) went up more than our operating expenses declined. As a result, our operating-profit margin—a good measure of how we did—went down.

we saw in the first half of '95. Some of our competitors can tell you firsthand about these missed opportunities when they consistently had more demand than products.

The increased number of employees will have an effect on profit-sharing. The profit-sharing percentage has increased, partly because our employment base has stayed relatively consistent. We'll have to wait and see what happens to profit-sharing in 1996.

So what are the key things to remember for 1996?

First, we expect the cost of sales to continue to rise over time, so we must maintain tight control over our operating expenses.

Second, we need to do a better job managing our assets, particularly having the right amount of inventory on hand.

In many ways, HP's recent success has been like a winning sports team. When you win a lot of games, as we have recently, it's human nature to let up and relax a bit.

Although we had a very good 1995, our fourth-quarter performance slipped a little and we saw the impact on our stock price.

I'm confident that we'll keep demonstrating those same HP traits—hard work, dedication and ingenuity—that made us a top competitor, and that 1996 will be another great year.

More than just a hobby

What can swerve, spin and move swiftly through the streets of New York City?

You guessed it—rollerblades!

What started off as a hobby at the age of 8 in London, England, has become a means of transportation for Philip Grier, an HP customer engineer in the New York City area. Philip travels on rollerblades to get around Manhattan to support his customers.

"Rollerblading is faster than walking or sitting in a

taxi when there is a lot of traffic," Philip says. "I'm able to service our customers much more quickly."

A customer call comes in. When the weather is good, Philip—dressed in jacket and tie, tools loaded up—heads out into the combustion of New York.

Without brakes on his skates, it can get pretty dangerous, but Philip's motto is: "I don't stop until my customers are satisfied."



"I don't stop until my customers are satisfied," says HP customer engineer Philip Grier, who rollerblades to his next customer.



We've got our wings

Did you know Hewlett-Packard has Angels?

HP is one of the few vendors to receive a Blue Angel, a German eco label, for the Vectra VL3e. The Blue Angel is considered an important marketing tool, with high visibility in Germany.

A product earns a Blue Angel only if it meets 65 environmental criteria, in

areas such as product design, manufacturing, toxic materials, energy consumption, ease of disassembly and acoustic noise.

Getting the label was the result of teamwork between HP's Computer Products Organization product stewards and the German and French environmental agencies.

HP's not just computers

HP has ventured into a new field. The soccer field.

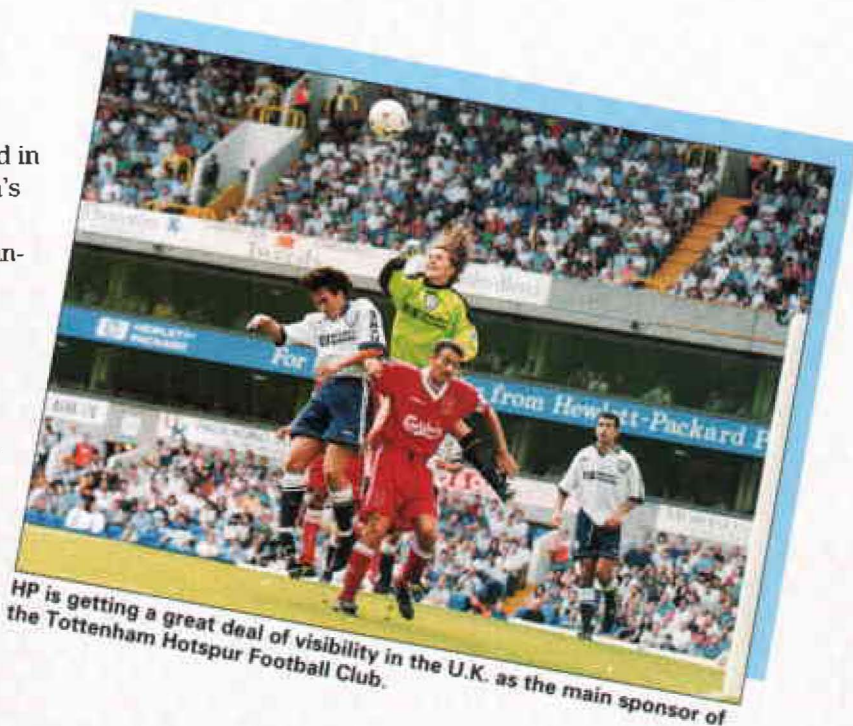
HP's Computer Products Organization has signed an agreement to be the main sponsor of the Tottenham Hotspur Football Club, based in Northern England.

HP and the Premier League will come together for four years, which began with the 1995-96 season.

The HP name and logo appear on all uniforms and training tops worn by the first, reserve and youth

teams, and are featured in advertising at the team's playing grounds.

Gail Noble, CPO manager for the U.K. and self-appointed Spurs sponsorship manager, says the association between HP and the Spurs already exceeds HP's expectations and receives very positive feedback from fans and customers.



HP is getting a great deal of visibility in the U.K. as the main sponsor of the Tottenham Hotspur Football Club.

A-plus in durability

Karen Rizzello, Information Systems manager in World-wide Customer Support Operations in Bristol, England, recently had an explosive affirmation of the quality of her HP OmniBook and HP palmtop computers.

Returning from a business meeting in France, she accidentally left her briefcase on the Orly airport trolley. Knowing that the security policy is to explode any unattended luggage, Karen rushed back to where she left it, arriving just in time to see the last of her belongings being swept up.

She thought, "Oh, no, my life has just blown up!"

But to her delight, both her HP OmniBook 430 and HP 100LX palmtop computers survived the explosion—except for a few nicks.

"This incident is an incredible test of the robustness of our products," Karen says, "and it gives me a lot of confidence in their reliability."

Karen continues to use her HP OmniBook and HP palmtop computers as though nothing happened, although she did have to get a new briefcase.



Karen Rizzello's HP OmniBook and HP palmtop computers survived the Orly Airport blast well, but not her briefcase.

BOTTOM LINE

For the fourth quarter of fiscal year 1995, ended October 31, Hewlett-Packard reported 42 percent growth in net earnings, a 27 percent increase in orders and 29 percent growth in revenue.

Net earnings for Q4 were \$678 million or \$1.29 per share on some 527 million shares of common stock outstanding, compared with earnings of \$476 million or 92 cents per share in the same quarter last year (restated to reflect the retroactive effect of the 2-for-1 stock split in March 1995).

Q4 orders were \$8.8 billion, compared with \$6.9 billion in the year-ago quarter.

CEO Lew Platt termed the Q4 results "a very good finish to an excellent year."

Net revenue for Q4 was \$9.0 billion, compared with \$7.0 billion in the same quarter of FY94.

For FY95 overall, net earnings totaled \$2.4 billion, an increase of 52 percent over the \$1.6 billion earned in FY94; orders were \$32.5 billion, up 28 percent over last year's \$25.4 billion; net revenue was \$31.5 bil-

lion, up 26 percent from \$25 billion in FY94.

FIVE NEW VICE PRESIDENTS

Five new vice presidents were elected by HP's board of directors on November 17: **Byron Anderson**, general manager for the Communications Test Solutions Group; **George Cobbe**, general manager of Americas and **Lee Ting**, general manager of Asia Pacific, both in Geographic Operations; **Ann Livermore**, sales and marketing manager for Worldwide Customer Support Operations; and **Bob Walker**, chief information officer.

NEW HATS

Cynthia Danaher to G.M. of the Medical Products Group.

Franz Lorber to G.M. and CSO manager of HP Hungary...**Pavel Kalasek** to G.M. and CSO manager of HP Czech Republic...**Paul Pauku** to G.M., HP Finland and CPSD manager.

In HPL, **Bill Shreve** to director, new Integrated Solutions Lab; and **Waguhi Ishak** to director, new Communication and Optics Research Lab.



Fred (right) and Gary Tarver are believed to be the first father/son team in HP history to earn a U.S. patent.

It's a family affair

CORVALLIS, Oregon—There's something new about the HP DeskJet 500 and 600 printers and you probably didn't even know it.

Last April, HP received a patent for a new invention—the triad pen. The pen allows 100 percent of the ink inside inkjet cartridges to be used.

What makes this patent different from the numerous others HP has received? It's believed to be the first in HP history to be awarded to a father and son.

The pair of inventors is Fred and Gary Tarver of the

Inkjet Supplies Business Unit in Corvallis. The other co-inventors are Bruce Cowger, John Wydronek, George Custer and Marc Baldwin.

Fred says the project is the breadwinner for the division. He's most satisfied at seeing the concept materialize into a success.

"Before the pen, HP was king of the thermal inkjet market," Gary remarks, "and this technology keeps us on top."

Quoteworthy

“Don't confuse reality with what happens in the (stock) market—it defies explanation. There's no question that they (HP) define the standard in the printer business. They will be a major player in the PC market in the coming months. (HP) has an inherent resiliency.”

John McGilvray, senior analyst at Input, a San Francisco research firm, reacting to HP's fourth quarter and fiscal year '95.

CHART CHANGES

In the Computer Organization, the Roseville Networks Division has formed a new Direct Connect Operation to focus on network attachment. Operations manager is **Dave Harris**... CSO Order Fulfillment, Computer Manufacturing and Distribution has streamlined its name to CSO Order Fulfillment Group. It retains the same functions...The Electronic Messaging Operation has transferred from the Systems Technology Group to the Software Business Unit.

In the Systems Technology Group, the former Information Networks Division has been renamed the Networked Computing Division and the former Grenoble Networks Division is now the Enterprise Networking and Security Division, reflecting changes in charter.

ASIA PACIFIC

A new Shanghai Computer Operation has been formed under **Jose Grapa** as G.M. within CSG. It comprises the Hua Pu joint venture, the Shanghai Marketing Center for China, R&D for

graphics subsystems and software development and localization, and CSO purchasing activities.

HP Australia and Telestra Ventures have formed a joint venture, Telecom Hewlett-Packard. A team from the Network & System Management Division will be involved in developing network management software products for telecom.

Bruce Thompson has been named managing director of IIP Australia and G.M. of the Australasia Region.

APG: NEW NAME, OTHER CHANGES

The Analytical Products Group has changed its name to the Chemical Analysis Group and restructured. The former Bay Analytical Operation has been renamed the California Analytical Division under **Dick Begley** as G.M. The former Little Falls Operation in Delaware is now the Little Falls Analytical Division under **Nancy Kerins** as G.M.

The supercritical fluid chromatography technology and HP ORCA system (Optimized Root for Chemical Analysis) have been sold to other firms.



Volunteer coach Peggy Beck of the Commercial Systems Division explains the next play, while Mel Robertson cheers the team on.

HP is on the ball

Mel Robertson of the Commercial Systems Division in Cupertino, California, with the help of co-workers, is building programs for nearby San Jose youth. He is the area director of the west San Jose chapter of the National Junior Basketball (NJB) league.

The NJB is a competitive boys and girls basketball league, geared toward developing the minds and well-being of its participants. "This program provides an opportunity for kids to play,

whether or not they are stars," Mel says. "It also gets them involved in the community."

Mel called for his co-workers to get involved, and they answered the call. Two employees serve on the board of directors for the local NJB and others volunteer their time to coach, keep score and do whatever is needed.

"HP employees have kept this program running," Mel says.



Trick or treat

Twelve-year-old Justin Contino had a Halloween he'll never forget on October 31.

Justin and his mom, Lin, who is America's relocation manager at IIP's Atlanta (Georgia) Business Center, spent their Halloween attending an afternoon reception at the White House in Washington, D.C.

A reception recognized companies that support the

American Business

Collaboration for Quality Dependent Care, to which HP belongs.

First Lady Hillary Clinton, along with Secretary of Labor Robert Reich, met with the attendees.

Pete Peterson, HP senior vice president for Personnel, also attended the reception.

Goodbye, Barney

On November 23, HP and the world lost one of its true geniuses.

Barney Oliver, 79, was a brilliant scientist with 52 patents, the founder and head of HP Labs for nearly 30 years and a leader of the Search for Extraterrestrial Intelligence (SETI) Institute.

But *MEASURE* remembers Barney most as a stickler for the proper use of the English language. Here's what Barney once said on that subject:

"During my 40-odd years as a practicing electronics engineer, I became increasingly well known for my habit of correcting people's English on the fly. Notorious is perhaps a better word; renowned would never do.

"This impolite practice was seldom accepted as gracefully by the victim as I felt it obviously should have been.

"Instead of seizing the correct form with proper gratitude, the speaker would often stop mid-sentence in puzzlement or even consternation and then develop



Barney (left) and HP co-founder Bill Hewlett share a laugh during an HP 50th anniversary party in 1989.

what appeared to be a growing resentment over the interruption.

"In later years, realizing that fewer and fewer people smiled at me or hailed me by my first name, I took to murmuring the necessary correction...It did, however,

continue to satisfy a certain mysterious compulsion within me."

Thanks, Barney. We won't soon forget you.

MOVED LATELY? CHANGE OF ADDRESS SHOULD BE REPORTED TO YOUR PERSONNEL DEPARTMENT.



HEWLETT®
PACKARD

MEASURE Magazine

PO Box 10301

Palo Alto, California 94303-0890

Bulk Rate
U.S. Postage
Paid
Permit 3917
Portland, OR